

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to \$100,000

NCUA

*National Credit Union Administration
a U.S. Government Agency*

FINANCIAL HIGHLIGHTS JANUARY 31, 2004

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
January 31, 2004

Balance Sheet:

Interest Receivable — of \$62.8 million includes \$17.5 million in accrued interest earned by the NCUSIF in January.

Prepaid & Deferred Charges — is \$1.7 million for January. \$7.5 million was transferred to the operating fund to cover 59.8% of the agency's operating costs. January's actual operating costs were \$6.0 million.

Other Assets — represents balance due to the NCUSIF from monies loaned to NCUA for purchase of the King Street building.

NCUSIF Equity — remained at 1.27% for January. The equity ratio is based upon a preliminary insured share base of \$478.5 billion for December 31, 2003.

Statement of Revenue and Expense:

NCUSIF Total Operating Expense — of \$6.0 million includes \$60.0 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
JANUARY 31, 2004

ASSETS	JANUARY 2003	DECEMBER 2003	JANUARY 2004
Investments:			
U.S. Government Securities	\$5,543,521,237.65	\$6,074,557,557.30	\$6,059,274,938.21
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits	0.00	0.00	0.00
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Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	341,783.31	879,363.95	30,951.53
Loans due to NCUSIF	0.00	1,711,419.24	1,501,419.24
Recoveries from Liq. CU	14,700,732.75	12,219,135.42	12,529,542.05
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Total Other Receivables	15,042,516.06	14,809,918.61	14,061,912.82
Cash	5,757.72	5,617.46	5,024.02
Interest Receivable	81,839,234.22	45,761,005.91	62,813,049.71
Prepaid & Deferred Charges	1,562,240.05	0.00	1,651,794.45
Leased Assets	104,128.31	930,405.51	895,878.94
Other	28,902,040.06	26,487,016.37	26,375,171.58
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TOTAL ASSETS	\$5,670,977,154.07	\$6,162,551,521.16	\$6,165,077,769.73
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LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$6,086,310.40	\$9,540,618.50	\$7,904,311.12
Other	1,235.99	2,017,754.14	9,533.40
Check Clearing Accounts	885.40	0.00	0.00
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	6,088,431.79	11,558,372.64	7,913,844.52
Provision for CU Losses (Reserves)	49,681,075.86	76,666,862.48	78,552,665.52
Lease Liabilities	0.00	936,263.84	831,636.47
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TOTAL LIABILITIES	\$55,769,507.65	\$89,161,498.96	\$87,298,146.51 1/
EQUITY			
CU Contributed Capital	\$4,267,108,589.16	\$4,704,595,868.57	\$4,704,595,968.57
Retained Earnings	1,348,099,057.26	1,368,794,153.63	1,373,183,654.65
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TOTAL EQUITY	\$5,615,207,646.42	\$6,073,390,022.20	\$6,077,779,623.22
TOTAL LIABILITIES & EQUITY	\$5,670,977,154.07	\$6,162,551,521.16	\$6,165,077,769.73
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending January 31, 2004

	JAN 03	DEC 03	JAN 04
1/ Does not include unreserved contingent liabilities of \$0 in asset guarantees, and \$235 thousand in outstanding line of credit guarantees.			
1. Investments/Total Assets	97.75%	98.57%	98.28%
2. Total Equity/Insured Shares	1.27%	1.27%	1.27%
3. Prov. for Losses/CU Capital	1.16%	1.63%	1.67%
4. Non-Earning/Total Assets	1.74%	1.00%	1.29%
5. Available Asset Ratio	1.25%	1.26%	1.25%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING JANUARY 31, 2004

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2004	CY TO DATE BUDGETED 2004	CY TO DATE 2003
Investment Income	\$10,362,523.99	\$10,500,000.00	\$10,362,523.99	\$10,500,000.00	\$16,217,901.24
Other Income	49,861.86	40,000.00	49,861.86	40,000.00	86,206.09
Total Income	10,412,385.85	10,540,000.00	10,412,385.85	10,540,000.00	16,304,107.33
EXPENSE					
Employee Pay	4,209,949.69	4,444,275.97	\$4,209,949.69	4,444,275.97	4,500,654.73
Employee Benefits	1,010,620.98	1,135,856.88	\$1,010,620.98	1,135,856.88	788,182.43
Employee Travel	59,665.07	672,360.08	\$59,665.07	672,360.08	139,649.17
Rent/Communications/Utilities	201,374.08	221,527.24	\$201,374.08	221,527.24	127,577.64
Administrative Costs	581,587.51	630,663.33	\$581,587.51	630,663.33	401,620.41
Contracted Services	(100,360.41)	407,798.61	(\$100,360.41)	407,798.61	(150,744.43)
Subtotal NCUA Operating Exp.	5,962,836.92	7,512,482.11	5,962,836.92	7,512,482.11	5,806,939.95
AMAC Expense	4,684.86	15,000.00	4,684.86	15,000.00	194.01
Training Expense	16,559.00	110,000.00	16,559.00	110,000.00	119,622.30
Leasing Expense	35,772.73	35,250.00	35,772.73	35,250.00	48,503.70
Other Insurance Expense	3,031.32	3,500.00	3,031.32	3,500.00	17,322.64
Total Operating Exp.	6,022,884.83	7,676,232.11	6,022,884.83	7,676,232.11	5,992,582.60
Insurance Loss	0.00	1,250,000.00	0.00	1,250,000.00	2,139,600.00
Total Expense	6,022,884.83	8,926,232.11	6,022,884.83	8,926,232.11	8,132,182.60
NET INCOME	\$4,389,501.02	\$1,613,767.89	\$4,389,501.02	\$1,613,767.89	\$8,171,924.73
Retained Earnings, Beginning of Year			\$1,368,794,153.63		\$1,339,927,132.53
Prior Year Adjustment			0.00		0.00
As Restated			1,368,794,153.63		1,339,927,132.53
Net Income			4,389,501.02		8,171,924.73
Dividends			1,373,183,654.65		1,348,099,057.26
Retained Earnings, End of Year			\$1,373,183,654.65		\$1,348,099,057.26

Comparative Analysis of NCUSIF Ratios for January 31, 2004

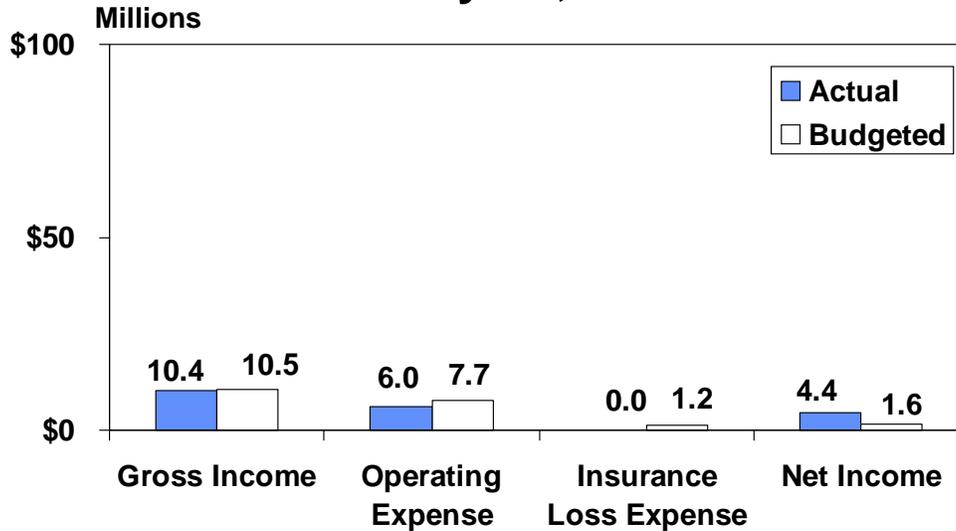
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR FYTD	CURRENT FYTD
1. Oper. Exp./Total Income	89.00%	57.84%	72.83%	57.84%
2. Ins. Loss/Total Income	23.33%	0.00%	11.86%	0.00%
3. Total Exp./Total Income	112.33%	57.84%	84.69%	57.84%
4. Net Income/Total Income	-12.33%	42.16%	15.31%	42.16%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
January 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	(\$6,689,519.81)
Other income received	259,861.86
Cash paid for operating expenses	(9,647,127.29)
Net cash (paid) received for insurance losses	<u>(60,910.97)</u>
Net cash provided by operating activities	(16,137,696.21)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	15,176,745.56
Collections on note receivable - National Credit Union Administration Operating Fund	<u>111,844.79</u>
Net cash provided by (used in) investing activities	15,288,590.35
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	848,512.42
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	848,512.42
NET INCREASE (DECREASE) IN CASH	(593.44)
CASH, BEGINNING OF YEAR	5,617.46
CASH, ENDING January 31, 2004	<u><u>\$5,024.02</u></u>

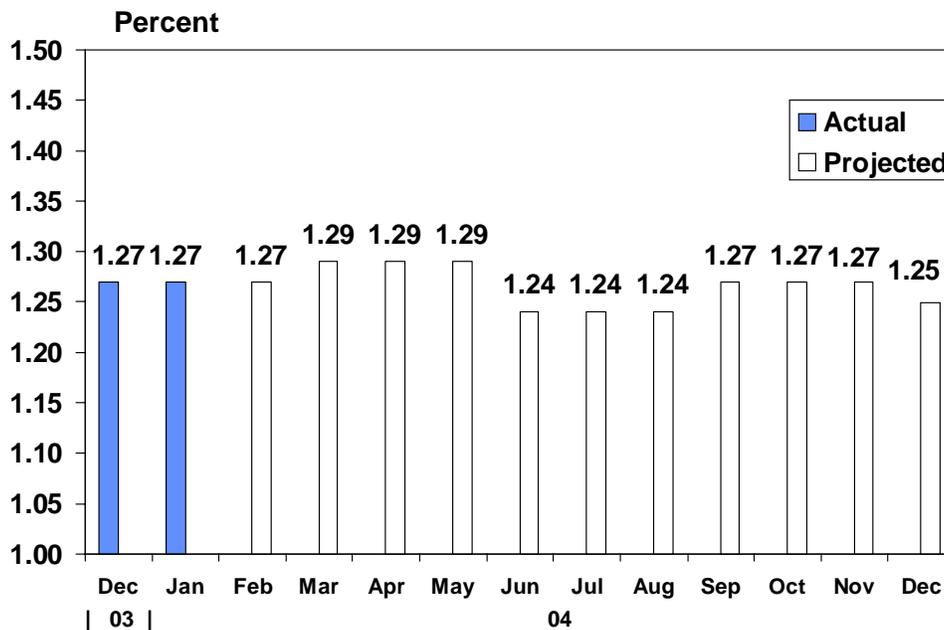
REVENUE AND EXPENSE

January 31, 2004



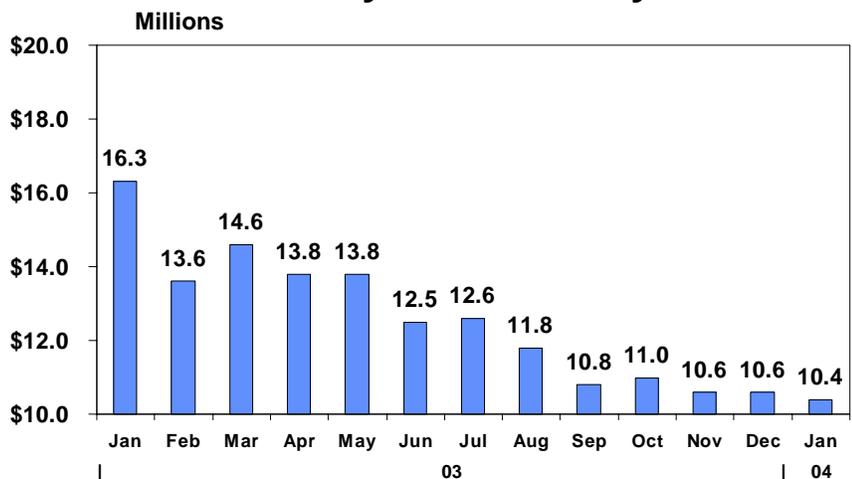
NCUSIF EQUITY RATIO

January 31, 2004



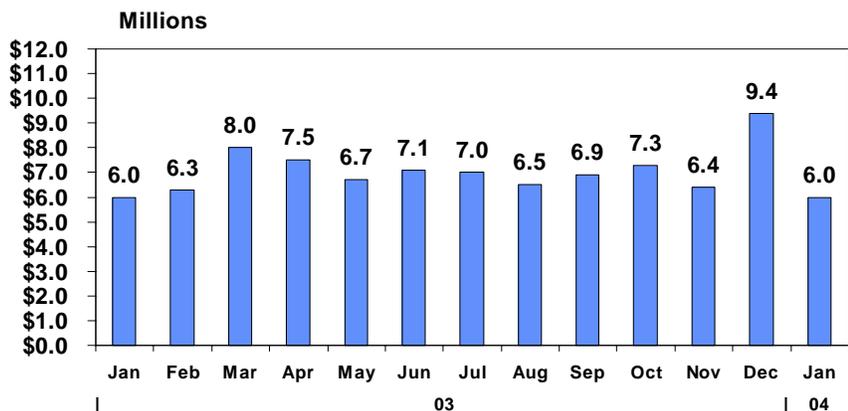
GROSS INCOME

January 03 – January 04



OPERATING EXPENSE

January 03 – January 04



INSURANCE LOSS EXPENSE

January 03 – January 04

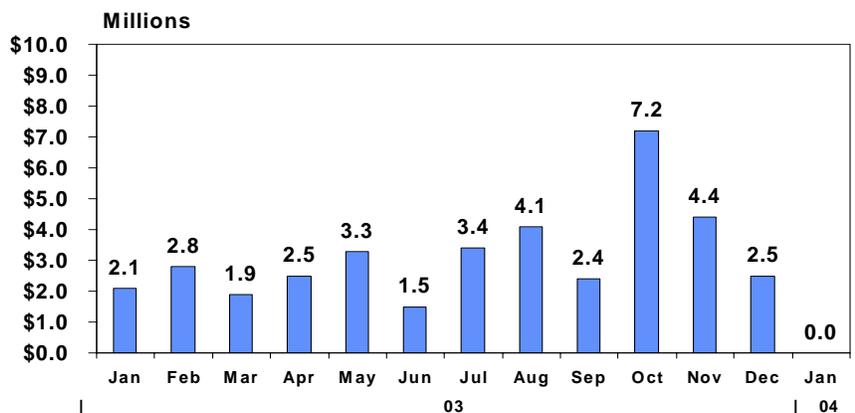


TABLE 4

INVESTMENT PORTFOLIO SUMMARY

January 31, 2004

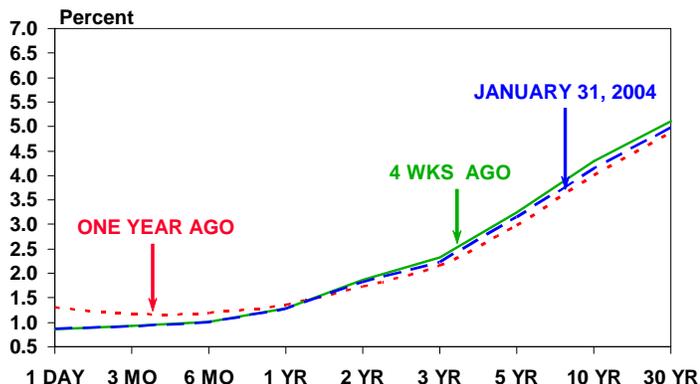
I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	(Gain or Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,357,461,000	\$1,357,461,000	\$0	100.0%	1.00%
U.S. Treasury Notes	\$4,701,813,939	\$4,724,218,750	\$22,404,811	100.5%	1.86%
TOTAL	\$6,059,274,939	\$6,081,679,750	\$22,404,811	100.4%	2.01%

II. INVESTMENT PORTFOLIO PERFORMANCE				
	Last Month	Current Month	CY To Date	CY04 Projections
Investment Yield	2.02%	1.98%	1.98%	2.00%
Investment Income	\$10,580,545	\$10,329,862	\$10,329,862	126 Million
Income Budgeted	\$14,100,000	\$10,500,000	\$10,500,000	126 Million
Income/Budgeted Ratio	75.0%	98.4%	98.4%	100.00%
Avg. Maturity in Days	367	351	351	

III. MONTHLY ACTIVITY				
Purchase	Type	Amount	Maturity	Yield
TOTAL		\$0		

IV. MATURITY SCHEDULE (par value in millions)	
3 months or less	1,857.5
3 months - 1 year	2,100.0
1 year - 2 years	1,800.0
2 years - 3 years	200.0
3 years - 4 years	0.0
TOTAL	5,957.5

TREASURY YIELD CURVE



MATURITY SCHEDULE

January 31, 2004

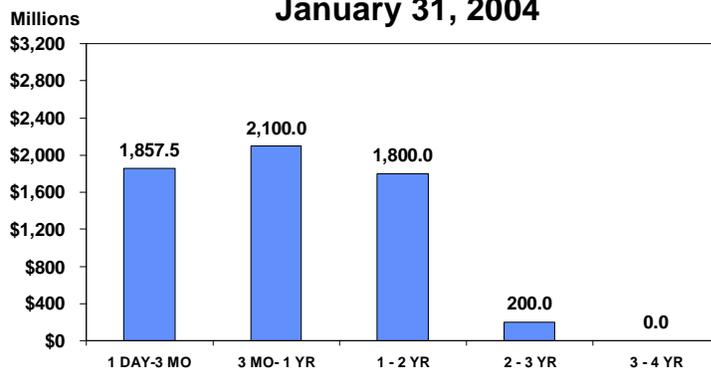


TABLE 5

INTEREST RATE COMPARISONS

January 31, 2004

INTEREST RATE COMPARISONS								
	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04
NCUSIF Yield	2.58%	2.52%	2.35%	2.21%	2.11%	2.08%	2.02%	1.98%
90 day T-Bill	0.89%	0.94%	0.96%	0.91%	0.95%	0.93%	0.93%	0.91%
1 year T-Bill	1.06%	1.33%	1.38%	1.15%	1.30%	1.38%	1.29%	1.27%
2 year T-Note	1.29%	1.92%	2.04%	1.47%	1.85%	2.07%	1.86%	1.82%
30 year T-Note	4.55%	5.46%	5.30%	4.88%	5.15%	5.14%	5.10%	4.97%

**INTEREST RATE COMPARISONS
JANUARY 31, 2004**

